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# Children First

A Pre-Budget Report by the  
National Council of Welfare

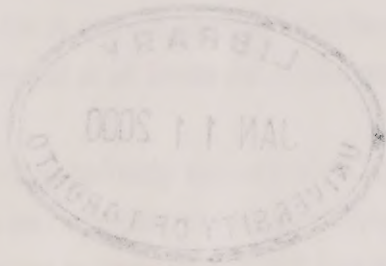
Autumn 1999

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## **CHILDREN FIRST**

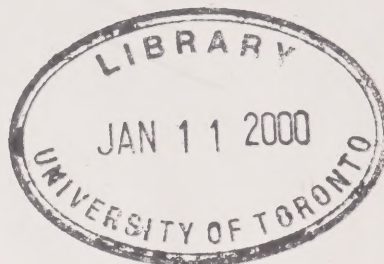
### **A Pre-Budget Report by the National Council of Welfare**

**Autumn 1999**

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## **PRELUDE TO THE 2000 BUDGET**

The federal government's next budget, tentatively scheduled for late February 2000, could well be a "children's budget" designed to assist children and their parents. If the speculation heard in recent months is correct, families who have suffered greatly at the hands of governments of all political stripes and at all levels during the past decade will finally get some much deserved relief.

The timing certainly appears to be right. The federal government has put its own financial house in order and is hoping that budget surpluses rather than deficits will be the norm for many years to come. Previous budgets have already set aside substantial new federal dollars for health care and scholarships for post-secondary education. The size of the federal surplus for the 1999-2000 fiscal year will not be known for many months, but the government's own estimate is \$5 billion, and most pundits believe the final figure will be much higher than \$5 billion.

Meanwhile, the federal, provincial and territorial governments have negotiated a new working arrangement known as the National Children's Agenda which commits both levels of government to furthering the well-being of families with children.

In short, the money is there to provide much better support to children and parents. The political will may also be there, although it is still too early to tell. The big question is: will the 2000 budget really make a difference in the lives of families with children or will it be little more than window-dressing? The political landscape is already littered with political rhetoric about children, broken promises and token efforts that provide very little real help to families or help only a minuscule number of the families who are in dire straits.

Two essential conditions must be met if the next budget is to be a true children's budget. One is that there must be a major infusion of federal money into programs and tax relief for families with children. The second condition is that the budget must chart new courses in family policy that are both sustainable and irreversible. Simply adding a bit of money to existing programs may be politically appealing, but it would not make much difference to families in the longer term. At the very least, the National Council of Welfare is looking for new programs and policies that will make a significant difference in the lives of children right away and be even better in years to come.

This report describes the items the National Council of Welfare believes should be part of the next budget. It is based largely on the work done by the Council since 1989 – the very year that the House of Commons passed a unanimous resolution to eliminate child poverty by 2000. Our proposals are outlined in the main part of the report and are restated in the 29 recommendations in the final chapter.

Our report is organized around the six main themes put forward in the discussion paper on the National Children's Agenda. Because of the overlaps in the discussion paper, there are overlaps in this report.

The focus of our efforts during the next several months will be persuading the federal government to bring down the best possible children's budget. It is clear, however, that several of the essential elements in any children's budget will be possible only with the co-operation and support of provincial and territorial governments. We have specified those areas where joint efforts are needed.

Other policy areas are split between the two levels of government. We are urging the federal government to take the lead and raise the minimum wage for workers under federal jurisdiction, for example, but we also hope that provincial and territorial governments will follow suit for workers under their jurisdictions.

Finally, we note that some of our recommendations would assist Canadians in general, not just parents and children. Our hope is that governments would adopt our recommendations for welfare reform and better labour standards and apply them across the board for the benefit of all Canadians.

The National Council of Welfare plans to be an active participant in the current pre-budget consultations between the federal government and social policy and anti-poverty groups. We hope that this paper will help shape the debate about the 2000 budget and will spur the federal government to do everything it can to help families with children.



## **THE NATIONAL CHILDREN'S AGENDA**

The National Children's Agenda is a new working agreement involving the federal, provincial and territorial governments that may provide a useful framework for organizing initiatives for the upcoming federal budget. In May 1999, the Federal-Provincial-Territorial Council of Ministers on Social Policy Renewal released two documents about the agenda: Developing a Shared Vision and Measuring Child Well-Being and Monitoring Progress.

The National Council of Welfare hopes that the National Children's Agenda signifies a serious commitment by all levels of government to the well-being of children and families. The discussion paper Developing a Shared Vision gives four reasons that it is important to join forces on children's issues now:

- "We have new knowledge about how early childhood shapes a lifetime."
- "We need to reach children before problems occur."
- "As society changes, we need to change how we respond to children."
- "We have convincing information about the impacts of poverty."

The National Council of Welfare agrees that it is extremely important to provide support to children and their families to make sure that all children get the best possible start in life. Research has shown again and again that early childhood experiences are among the most important factors in making sure that people grow up healthy enough to learn, find work, raise healthy families of their own and participate fully in society for the rest of their lives. This new knowledge about the importance of early childhood builds on knowledge we have had for a long time.

Prevention of problems makes good sense on many levels. Not only does it reduce unnecessary unhappiness in the lives of children and their families, it also makes good economic sense. Studies of good programs show significant savings when children and parents receive services as diverse as child care and recreation programs for children and youth, and employment training



for parents. Over and over, research shows that families that receive good supports early on are less likely to use more expensive medical and social services, or to have children who repeat grades or who are involved in criminal activities.

We agree that it is extremely important to ensure that social policies respond to the changes in children's lives. Children are more likely than ever before to see their parents split up and more likely to live in single-parent families, at least for a while. Living in a single-parent family makes children far more vulnerable to poverty and the risks associated with growing up in poverty. The value of parents' wages has dropped, and very few families can cope with only one wage earner. More mothers than ever before participate in the paid labour force.

It is obvious that social policies have not kept up with the dramatic changes in the lives of children. Canada has no coherent system of programs and policies that support families with young children. One flagrant gap is the absence of a national system of child care.

While provincial and territorial governments have changed their welfare programs to encourage welfare recipients to take on paid work, they have not done a good job of providing for the care of children while their parents worked or studied. As a result, many families scramble to find good quality, affordable care for children that covers the hours parents are at work while also providing children with good early childhood experiences. Many parents are left to make do with less than adequate arrangements for their children.

Finally, we agree that the impact of poverty on the development of children is devastating. Poverty affects all aspects of children's development, with both short-term and long-term effects. While we agree that it makes good sense for governments to ensure that young children benefit from good social policies, the National Council of Welfare believes it is important to ensure that social policies support the other important times and aspects of people's lives. Without comprehensive social policies that support children as they grow up, good results from early interventions fade out when children go on to poor-quality elementary schools and continue to live in high-risk situations. When good supports continue beyond early childhood, the positive results of good programs are protected and even amplified. Children benefit when good social policies also support their parents, their grandparents and their neighbours.



While we agree in principle with the National Children's Agenda, the National Council of Welfare has some reservations. Frankly, we have heard the federal government make promises to children before. Our enthusiasm for the promises of the National Children's Agenda is tempered by the government's failure to act on previous promises.

The discussion paper Developing a Shared Vision makes many "motherhood" statements that are likely to be agreeable to almost anyone, although commitments to new policies and programs have not yet been identified. For example, it states that "Canadians want children to be a priority" and that "children are our strength today and in the future."

We are concerned about the length of time it took to bring work on the agenda into the public domain. The agenda was first announced in the Liberal Party Red Book during the 1997 federal election campaign. Since then, government officials have met frequently, but no information was released to the public until May 1999. Public participation in the development of the agenda has been virtually non-existent.

We are alarmed by the suggestion in the introduction of Developing a Shared Vision that simply realigning existing resources may lead to significant improvements in the lives of parents and their children. The harsh reality is child and family poverty rates are dramatically higher than they were in 1989 when the House of Commons resolved unanimously to eradicate child poverty by 2000.

The National Council of Welfare believes that the main reason child and family poverty rates have not improved in the years following the last recession is that throughout the 1990s, governments of all levels cut important programs and services that support families. A 1993 UNICEF report, Child Neglect in Rich Nations, identified the problem of Canada's shrinking supports to families as one of the main reasons that Canadian child poverty rates were far worse than those of European countries, even though they were better than the rates in the United States. Using an international after-tax measure, UNICEF reported that Canada's child poverty rate was 13.5 percent, compared to rates of 9.9 percent in the United Kingdom, 6.8 percent in Germany, 6.5 percent in France, 6.2 percent in the Netherlands and 2.7 percent in Sweden. A further reason that child and family poverty rates remain high is that governments have never addressed adequately the problems in the labour market of the 1990s.

Any suggestion that child and family poverty could be tackled simply by shuffling existing resources or sharing "best practices" flies in the face of reality. A serious effort to help families get out of poverty certainly requires the co-operation and co-ordination of governments, but it also requires a major investment of money.



## VISIONS AND NEEDS

### National Children's Agenda Item #1

#### Supporting Parents and Strengthening Families

"Parents and families play the primary role in children's lives, and a nurturing, supportive family is the best foundation for good child development. Support for parents and families is essential to improve circumstances for children."

The National Children's Agenda says support for families requires co-operative efforts by employers, communities, voluntary organizations and governments and refers specifically to "supportive workplaces that help parents meet their responsibilities to their children."

The National Council of Welfare could not agree more that families are central to children's lives and that families need a range of supports for their children. We support the statement of the United Nations Convention on the Rights of the Child that the family is "the fundamental group of society and the natural environment for the growth and well-being of all its members and particularly children . . . [and] should be afforded the necessary protection and assistance so that it can fully assume its responsibilities within the community."

In the Canadian context, the U.N. statement means that every child has a right to have his or her basic needs met. It means that the federal, provincial and territorial governments must ensure adequate income for everyone. It means that governments must provide the social supports that are necessary for people to achieve a decent standard of living. And it means integrating income security programs, social supports and other relevant social and economic programs and policies in a way that ensures the best possible outcomes for families.

In our view, the key to helping families is an integrated system of family policies. Although employers, communities and voluntary agencies play a role, we believe that it is up to governments

to provide the leadership and the resources to make family support a reality. All levels of government must commit themselves to ensuring that all programs and policies that improve the lives of children and their families are first-rate rather than second-rate, that they have adequate funding and that they work together rather than at cross-purposes.

Supporting parents and strengthening families means responding to the needs of all the members of the family. In recent years, there has been a lot of talk about reforming welfare programs to take children off welfare - without taking their parents off welfare. In reality, children are poor because their parents are poor. Children do not have their own incomes. They rely on their parents for financial support, as well as all the other supports that make up a healthy childhood. One important step toward strengthening families would be a commitment from both levels of government to ensuring that income support programs provide adequate family incomes.

The 1998 and 1999 budget speeches announced increases in the personal and other exemptions on federal income tax forms that had the effect of taking an estimated 600,000 low-income Canadians off the federal income tax rolls altogether. The elimination of the general federal surtax of three percent gave tax relief to every taxpayer at every income level.

Despite these sizeable tax breaks, too many Canadians living below the poverty line still have to pay income tax, and sometimes hefty amounts of tax. The 2000 federal budget should tackle this problem, either by building on the larger personal exemptions announced in the last two budgets or by instituting a low-income tax credit that would take poor families off the tax rolls directly.

Many of the important programs that provide supports to families have suffered from serious cuts in funding. Because of government cutbacks, many voluntary agencies were forced to close their doors at the very time poor families needed them most. In our 1997 report Healthy Parents, Healthy Babies, we recommended that governments end their arbitrary cuts to social programs, especially programs that serve children.

Many social programs support families, but child care is the backbone of them all. Child care is the one program that embraces both income security and services. Child care has been shown over and over again to be the essential ingredient for the work force participation of parents, especially mothers. Improving the work force participation of mothers is essential to reducing child poverty. When child care is high-quality, affordable and accessible, it can be the centre of many other services



and supports for families, including family resource programs, parenting courses, job training and peer supports. Without a strong system of child care, many families simply cannot participate in the job market. When parents cannot find work, other family support services are left picking up the pieces and trying to repair the damage that poverty causes.

The National Council of Welfare recommends that the federal government provide the provinces and territories with substantial financial support through a national system of child care and early childhood education. The provinces and territories would provide child care at a community level, with the highest possible integration of education, health and social services, including services provided by voluntary organizations.

Employers also have an important role to play in supporting workers in their roles as parents, and many employers have taken steps to make the balance of work and parenting possible. “Flextime” is one example of innovative arrangements that have been very helpful to parents. However, studies show that the workers who benefit most from good solutions such as flextime are those who are full-time, permanent employees and those with university degrees. The most vulnerable employees and most vulnerable parents are the least likely to benefit. Governments have an important role to play in creating family-friendly labour policies that help employers make these solutions available to most employees.

Supportive workplaces are essential for families to find the financial support they need to raise their children. But supportive workplaces alone do not solve the problems of balancing work and family responsibilities.

The National Council of Welfare has often noted that the reality of the Canadian labour market simply makes such a balance impossible for many families. Our 1993 report Incentives and Disincentives to Work highlighted the sharp decline in the real value of the minimum wage since 1976 and the trend away from standard jobs and toward part-time and temporary jobs. Our 1997 report Another Look at Welfare Reform looked at the changes in provincial and territorial welfare systems throughout the 1990s. Most governments altered their policies to push parents on welfare to find work, even when their children were very young. Alberta, for example, now considers the parents of children over six months old to be employable. In our 1999 report Preschool Children: Promises to Keep, the Council noted that high unemployment rates, especially among young adults, make it very

hard for parents to find and keep jobs with adequate incomes. The shortage of high-quality, affordable child care creates additional barriers.

Decent wages and flexible work arrangements are only some of the characteristics of family-friendly workplaces. Governments must take a leadership role in reducing the unequal treatment of certain workers. Mothers in particular would be greatly helped by stronger federal stands on pay equity that ensure that men and women workers receive equal pay for work of equal value. Stronger employment equity programs would ensure that women, Aboriginal people, workers from all ethnic and religious groups, and workers with disabilities receive equal opportunities throughout their work lives. Strong government support for training and education programs would help parents enter or re-enter the paid labour force.

Parents also need better paid and unpaid maternity and parental leave. Existing parental leave covers the first months of children's lives. In reality, parents also need time to care for sick children and take them to medical appointments until their children are much older.

The National Council of Welfare believes that the Employment Insurance program must be reformed to reflect the needs of families with new babies and to conform to the recommendations of experts in child health, including the federal government's own health department. Under the current Employment Insurance rules, mothers receive a maximum of 15 weeks of leave, then either the mother or the father can take ten weeks of leave. Under special circumstances, Employment Insurance will grant another five weeks. Benefits are paid at only 55 percent of the parent's income, to a maximum of \$413 a week. Only parents who worked 700 hours in the 52 weeks prior can take maternity or parental leave. Self-employed parents do not qualify for Employment Insurance benefits. In our opinion, the EI program comes nowhere near meeting the needs of families with babies and nowhere near meeting the most basic of infant health needs.

The National Council of Welfare believes that parental leave must be available for both mothers and fathers, and policies must ensure that neither parent is penalized for taking leave to take care of children. Under the existing rules of the Employment Insurance program, everyone who collects benefits has a two-week waiting period before beginning to collect benefits, even maternity and parental benefits. Even one waiting period places a significant - and unjustified - financial burden on many families. When a mother and father share the parental leave, the family is penalized even



further by serving two two-week waiting periods. Imposing a second waiting period on the same family makes even less sense.

In its June 1999 report to the House of Commons, the Sub-Committee on Tax Equity for Canadian Families with Dependent Children of the Standing Committee on Finance described the waiting period as having “no policy rationale” and recommended its abolition. The National Council of Welfare supports this recommendation.

Good nutrition is the most basic of human rights - and all the experts on infant nutrition recommend exclusive breastfeeding for the first six months of life. According to the United Nation’s World Health Organization and the Breastfeeding Committee for Canada (whose members include the Canadian Institute of Child Health, the Canadian Medical Association, the Canadian Nurses Association, the Aboriginal Nurses Association, the Canadian Paediatric Society, the Canadian Public Health Association, the College of Family Physicians, the Dieticians of Canada, La Leche League, the Society of Obstetricians and Gynaecologists of Canada, UNICEF Canada, and the federal health department), the only food babies should receive for the first six months of life is breast milk. Continuing breastfeeding and complementary foods for up to two years or beyond is the “optimal method for feeding infants and young children.” Breastfeeding has been proven to make a significant difference to the reduction of infections, the prevention of Sudden Infant Death Syndrome (SIDS), the prevention of allergies, the enhancement of cognitive development and the maintenance of acceptable infant growth rates. Breastfeeding is also a far less expensive method of feeding babies.

Overwhelming evidence shows that babies born to poor mothers are the most likely to be deprived of this important start to life either because their mothers did not have adequate information and personal supports, or because they had to wean their babies too early because they were forced to rush to work too soon. A 1999 study by Statistics Canada showed that the women most likely to be back at work within a month of giving birth were women who worked part-time, who had irregular work hours, and who had no maternity benefits.

The National Council of Welfare believes that all mothers should be granted six months maternity leave under the Employment Insurance program. Six months of maternity leave - even if the mother chooses not to breastfeed - ensures that mothers have the necessary time with their infants without pressure from employers to return to work early. A further six months of parental leave

should be available for either the mother or father as a step to even more generous parental leave in the future.

Quebec has recommended that all parental leave be supported at 70 percent of earnings, and that benefits be available at the same level for workers who are self-employed. Under the Quebec proposal, workers would be eligible for benefits if they had earned at least \$2,000 in the previous year. In order to ensure no discrimination against pregnant women, there would be no minimum period of work with any specific employer. The National Council of Welfare supports these recommendations.

Although the National Children's Agenda touts partnerships in all sectors of society, in our view, the most important partnerships to support families are the co-operation of all levels of government to make sure that public programs and policies work together to support families. Not only do many of the existing policies fail to work together, they often work at cross-purposes. Parents on welfare often cannot find the child care they need to take paid jobs, workers in low-wage jobs often cannot make enough money to rise over the poverty line, and many employers do not provide work environments that support workers in their roles as parents. Preschool Children: Promises to Keep identified the importance of creating an integrated family policy that pulls together the policies of all levels of government that affect labour, income support, employment equity and education to make sure that they work together with child care and early childhood education.



## National Children's Agenda Item #2

### Enhancing Early Childhood Development

"Efforts to enhance conditions that promote healthy development and reduce risks during early childhood - up to the age of 6 - can support a strong foundation for children in their later years. They could be a special focus of a National Children's Agenda."

The National Children's Agenda discussion paper notes that some 2.5 million children under the age of 12 were in some form of non-parental child care in 1994-1995 or had been in child care at some point in their lives.

It also highlights a recent study by University of Toronto economists Gordon Cleveland and Michael Krashinsky, who estimate that every dollar invested in high-quality early child care yields a two-dollar dividend for society as a whole.

The reality in Canada is that most children rely on some form of child care during their early years. This happens for many reasons: most mothers are in the paid labour force, many families with two parents rely on two incomes to bring their incomes over the poverty line, and more children than ever before live in single-parent families at some time in their childhood. Besides the need for care while parents work or study, many parents enrol their children in early childhood care and education programs so that their children can benefit from the stimulation of good programming and the chance to be with other children.

In Preschool Children: Promises to Keep, we proposed that the federal government take the lead in establishing a national program for preschool children that would pull together the many streams of programs that provide child care and early childhood development services to make one well-co-ordinated national child care program. In our view, the changing needs of families, especially the dramatic increase in the number of mothers in the paid work force, make the distinction between the various programs for preschool children unnecessary, inefficient and confusing. Child care,

nursery school, kindergarten and other early childhood education programs should be combined to form one integrated system that enhances early childhood development while responding to the need for child care while parents work or study.

Good integration of all these programs means real choices for families. Programming would be available all day for children while their parents are in full-time work and half-days while their parents are in part-time work. Parents at home full-time who simply want their children to benefit from attending a high-quality program could use the same services on a part-time basis.

The provincial and territorial governments would deliver the national program so that it could be well co-ordinated with all the other health, education and social services programs already available in communities. Governments and parents would share the costs. Parental fees would cover 20 percent of the cost of the program, and the federal, provincial and territorial governments would split the remaining 80 percent. The provincial and territorial governments would provide 45 percent of the cost to governments. The federal government would provide national standards and the money to cover 55 percent of the cost to governments. The total cost to the federal government for a system that provided care to children from two to five years old is \$3.5 billion a year.

Child care is a fact of life for Canadian children and their families. The only real debate is whether the federal, provincial and territorial governments will take the initiative to ensure the accessibility of high-quality child care that truly enhances early childhood development. A national child care program that provides good quality, affordable care is the backbone of family supports. Without it, returning to the paid work force or continuing in school would be impossible for many parents. Beyond all that, a high-quality child care system is the logical starting point for good early childhood development and the logical hub for other family supports. The first step to enhancing child development for all Canadian children is ensuring that their parents can find and keep jobs to provide for them.

Unfortunately, we are not convinced at this point that the federal, provincial and territorial governments are prepared to capitalize on the very obvious benefits that would go hand in hand with a new national child care program. Some politicians still choke on the words "child care" and we suspect that is why the National Children's Agenda talks about "early childhood development" instead. In our opinion, a program of early childhood development that does not cover the school and work hours of parents delivers only half the bang for the buck.



A system that provides both child care and early child development can stimulate children's development while also helping parents to find the jobs that will let them provide the best environments for healthy child and family development. Such a system is equally good for taxpayers. Research has shown that the return on the investment in child care programs ranges from savings of seven dollars for every dollar spent on very "high-risk" children to two dollars for every dollar spent on programs for children from all backgrounds.

Although politicians may be reticent about child care, child development experts and ordinary Canadians are not. All the major reports on women and work have pointed to child care as essential to women's participation in the work force. Overwhelming evidence shows that children's development benefits from high-quality programs.

In public opinion polls from the early 1980s onward, Canadians have consistently supported child care services. A 1998 poll conducted by Environics for the Canadian Policy Research Networks found that 76 percent of Canadians believe a child care system should be available for all families with the costs shared by governments and the families themselves. It seems that it is obvious to everyone except politicians that a national child care program would be good for children, good for families and good for the country.

### National Children's Agenda Item #3

#### Improving Economic Security for Families

"Poverty and economic insecurity affect parents' abilities to meet their children's needs. For most families with children, especially those led by single mothers, sustained employment is the key to a secure family income. A strong economy that fosters opportunity, particularly for young families, is the best way to improve the economic well-being of families and reduce child poverty."

The National Children's Agenda discussion paper goes on to claim that the Canada Child Tax Benefit is "helping parents make the transition from welfare to work, and is assisting low-income earners to stay in the work force."

The National Council of Welfare does not believe that the current design of the Canada Child Tax Benefit addresses the serious inadequacies of income security for families. The federal, provincial and territorial governments have deliberately decided to give preference to poor low-wage families rather than poor welfare families. As we pointed out in our 1998 report Child Benefits: Kids Are Still Hungry, this approach discriminates against families on welfare and totally ignores the needs of most poor families led by single-parent mothers, the family type that has long been the poorest of the poor. By our estimates, only 17 percent of poor families headed by single parents and 59 percent of poor two-parent families fully benefit from the program. The rest have some of their benefits clawed back by provincial and territorial governments.

The vast majority of the social policy groups in Canada want governments to end this discriminatory treatment of welfare families. Even the one social policy group which whole-heartedly supports the current clawback of benefits from welfare families can foresee the day when welfare families will be allowed to keep future increases to the Canada Child Tax Benefit.

Concerns about the design of the Canada Child Tax Benefit have reached the international community. When the United Nations reviewed Canada's compliance with the International



Covenant on Economic, Social and Cultural Rights, it made several sharp criticisms of Canada's social programs. Its December 1998 report made particular mention of the way the federal government has allowed provinces and territories to claw back child benefits from parents on welfare. The United Nations also said government cuts to transfer payments, welfare and social services have had a "particularly harsh impact on women, in particular single women, who are the majority of the poor, the majority of adults receiving social assistance and the majority among the users of social programmes." The United Nations recommended that the Canada Child Tax Benefit be amended to prohibit the clawback of benefits from families on welfare.

The National Council of Welfare believes that this discrimination against families on welfare must end sooner rather than later, and certainly no later than the 2000 budget. A "children's budget" which does not get rid of the clawback simply will not get the support of most social policy groups.

Meanwhile, recent improvements in the economy have done very little to improve the lot of poor people. Although the recession of 1990-1991 has been over for years, the most recent data from Statistics Canada shows that the 1997 poverty rate for all persons was 17.2 percent. In 1989, the rate was only 13.6 percent. The 1989 child poverty rate was 14.5 percent, but it was up to 19.6 percent in 1997.

Canada has seen a decline in the number of secure, full-time, well-paying jobs and an increase in the number of short-term, part-time jobs with low wages, few benefits and little or no security. For young parents with low levels of education, "bad" jobs are often the only real possibilities of employment, yet they cannot eliminate child and family poverty, no matter how hard a parent works. When lay-offs come, parents fall still further behind.

Low minimum wages are a part of the problem. Nowhere in Canada are minimum wages high enough to allow even full-time workers to escape poverty. The situation is much worse when a minimum wage worker has children to support. In Winnipeg in 1999, a single parent with one child had to work 80 hours a week simply to get to the poverty line. A two-parent family with two children in Winnipeg had to work 118 hours a week to reach the poverty line (and there are only 168 hours in a week). In Vancouver, where the minimum wage is the highest in the country, a single parent had to work 61 hours a week and a couple with two children had to work 89 hours a week to reach the poverty line. Clearly, minimum wages come nowhere near to covering the costs of living.

So far, the improvements in the economy in the 1990s have not provided the hoped-for opportunities for poor people. A strong economy may set the stage for improvements in the job market, but it is up to governments to ensure that everyone has a fair chance to compete. Over the years, the Council has made many recommendations for ensuring that everyone could share Canada's prosperity. The following recommendations come from many of our reports:

- Minimum wages must allow workers to support themselves at a decent level. Both the federal and provincial governments must ensure that minimum wages in their jurisdictions provide adequate incomes. Minimum wages must be indexed so that they rise each year with increases in the average industrial wage.
- The federal government must provide wage supplements to parents in the labour force to cover the additional costs of raising children.
- Governments must provide job training that prepares workers for new jobs.
- Governments must ensure that post-secondary education opportunities are open to everyone, not just students who are lucky enough to have families able to afford to pay their tuition fees and living expenses.
- Governments must ensure that legislation governing unpaid maternity and parental leave in their jurisdictions adequately covers the time parents require to care for young children. Existing parental leave covers the first months of children's lives, but parents also need time to care for sick children and take them to medical appointments when their children are much older.
- Governments must ensure that employment and pay equity laws are strengthened and enforced.



#### National Children's Agenda Item #4

##### Providing Early and Continuous Learning Experiences

"Canadians have begun to recognize the need to focus on children as 'learners' and the importance of strengthening children's formal and informal learning environments . . . With the right combination of support, challenge and opportunities provided by parents, educators and the community, children can master the concepts, knowledge and skills they need for success throughout their lives."

The importance of early and continuous learning was a central theme in two recent reports by the National Council of Welfare on families with children, Healthy Parents, Healthy Babies and Preschool Children: Promises to Keep, and will be picked up further reports in the series in the months ahead.

The report on preschool children stressed the importance of an integrated family policy that would recognize the needs of children in all kinds of circumstances. A new national child care program was the centrepiece of the report, but it went well beyond the traditional stereotype of a monolithic day care system. Our proposal supports parents working full-time, parents working part-time and parents who are not in the paid labour force but who want their children to benefit from good-quality nursery-type programs for a few hours a day.

We believe that children should benefit from high-quality early childhood education, not some low-cost low-quality babysitting service. Attracting and keeping good staff takes money, but it is essential to delivering good programs for young children. A system of this kind cannot and must not be cheap.

We consider early childhood education to be a vital part of a quality child care system. We also believe that it would be unproductive and inefficient to promote major initiatives in early childhood education outside of a new and improved national child care program.

Good child care provides an important first step in life-long learning. Research shows that children who have benefited from good early childhood education do better in primary school, and are more likely to complete high school, college or university. A good education has a significant effect on the likelihood that a person will find and keep good jobs and will be in better health throughout his or her lifetime.

But good early education does not stand alone. Research shows that the impressive results from good early education programs fade out over time if children go on to poor-quality schools. Governments must invest in all stages of education, from early education programs and the school system to job-training programs, colleges and universities.



### National Children's Agenda Item #5

#### Fostering Strong Adolescent Development

"In order for adolescents to participate meaningfully in society, they need opportunities to develop empathy, tolerance, respect for people of different genders and ethnic backgrounds, a sense of fair play and justice, hope, understanding and self-confidence. They also need the skills and knowledge to find a place in the labour force.

"All adolescents face a degree of risk, but some are at greater risk because of their socio-economic status, gender, family situation, mental health, behavioural problems or peer pressure.

"A National Children's Agenda provides an opportunity to focus on finding better ways to support young people as they move into the world of work and parenting, helping them to contribute to their communities and develop new skills and their sense of citizenship. Care should be taken to provide fair opportunities for both girls and boys, and for low-income youth and adolescents who demonstrate high-risk behaviour."

Much of the support for younger adolescents is connected to the public school systems overseen by provincial and territorial governments. For older adolescents, the federal government is providing financial support through transfer payments to support post-secondary education and through the Millennium Scholarships announced in the 1998 budget speech. However, most governments have eroded supports for post-secondary education. Investment in post-secondary education is essential to ensuring that young people have equal access to the high-quality education that will prepare them for good, skilled jobs in the future.

The impact of socio-economic status is dramatic throughout people's lives, and the impact is different at every step up the income ladder. Poor children fare worst, but children from middle-income families do not fare as well as children from high-income families. The National Council of Welfare is very concerned about the impact of cuts to social programs by all levels of government.

Young people benefit from public recreation programs that help them to become physically active, develop new skills, and form healthy social relationships with young people from all income levels and backgrounds, and they benefit from the involvement and supervision of adults. Cuts by all levels of government have made it very difficult for young people from middle- and low-income families to participate in many sports and arts activities that were once accessible to almost everyone.

Young people face especially difficult job prospects. Their unemployment rates remain very high, despite the improvements in the economy. A special report by Statistics Canada showed that young people between 15 and 24 made up only eight percent of the 1997 Canadian work force, but they represented 29 percent of the unemployed. The unemployment rate for youth was a shocking 15.8 percent in December 1997, while the rate for other workers was 7.2 percent. School attendance rates were very high and youth employment was at an all-time low at the time of the report. The proportion of young people with no job experience at all jumped from 9.8 percent in December 1989 to 24.6 percent in December 1997.

Young people who are also parents have been particularly disadvantaged in recent years and have had to contend with widespread privation at the very time that their children are most in need of help. They would benefit greatly from the income supports and social services we have recommended. Because of their relative lack of job experience, they would also benefit greatly from improvements in the labour market and new employment supports for families. In Preschool Children, Promises to Keep, we recommended that job creation efforts by all levels of government make particular efforts to promote the job prospects of youth.



National Children's Agenda Item #6

Creating Supportive, Safe and Violence-Free Communities

"For optimal development, children need secure homes, violence-free family environments and protection from victimization. They also need healthy communities, including safe neighbourhoods, play spaces and clean environments. Parents, municipalities, manufacturers, police officers, social workers and legislators must share responsibility for making communities safer for children and youth."

Creating better communities requires better support for a wide range of community resources, from schools to policing to public health to child protection. All these programs require adequate funding to achieve their goals, but many of them have been the victims of government spending cuts in recent years.

Poor communities and the people living in poor communities are at special risk. The federal government can do its part by ensuring that it provides its fair share of support. The National Council of Welfare has made several recommendations for better financial arrangements for health and social services between the federal government and the provinces and territories. We would like to see Ottawa negotiate a deal that would link support for provincial and territorial programs directly to the demand for welfare and social services such as a national child care program. We strongly believe that the increased federal support should be accompanied by minimum national standards to make sure that federal taxes support good social programs, not bad ones.

Research shows that children who benefit from high-quality early childhood care and education are far less likely to grow up involved in crime and violence, either as victims or as perpetrators. Establishing a national child care program that ensures children get a good start and their parents get a chance to find and keep adequately paid jobs will go a long way to ensuring the safety of communities. The National Crime Prevention Council of Canada, which was a short-lived advisory body to the Minister of Justice and the Solicitor General, recommended that the best way

to fight crime was investing in good social programs. In particular, the National Crime Prevention Council recommended beginning with good social programs for children. In their words,

The evidence is conclusive that the most effective way to prevent crime is to ensure healthier children, stronger families, better schools and more cohesive communities. Crime prevention through social development is a sound investment. The dividends include less violence, safer communities and significant cost savings in the criminal justice system and in almost every other area of public and private spending.

The National Council of Welfare believes all these outcomes are possible if governments, particularly the federal government, are prepared to show leadership and do the right thing for children and their parents. We see the 2000 budget as the crucial test of the federal government's oft-stated commitments.



## **CONCLUSION AND RECOMMENDATIONS**

Families with children have waited far too long for the federal government to address their needs. And successive federal governments have found one excuse or another for making families wait even longer. In the 1980s, it was the recession of 1981-1982, high interest rates or inflation. Later in the decade and into the 1990s, it was the deficit and the mania to cut both wise and foolish government spending to the bone.

With the economy becoming more stable and Ottawa's fiscal house in order, the wait should finally be over and the excuses must be laid to rest. The National Council of Welfare and every other national social policy group we know is convinced that the federal budget slated to come down in February 2000 could be and should be a true children's budget.

As we have stated time and again in this report, we expect to see a host of measures in the next budget that will really make a difference in the lives of children and their parents. A true children's budget would leave families with enough money in their pockets to meet their family needs. It would provide much more support for parents trying to make ends meet at the low end of the paid labour force, it would address chronic problems in our labour market, and it would correct the most punitive features of welfare and other income support programs.

Any budget that lacks the scope, the vision and the hard, cold cash to tackle these issues will be a wasted opportunity – certainly the last wasted opportunity of the millennium and perhaps the last opportunity in many years to translate years of rhetoric about children into reality.

The end of this chapter contains 29 specific recommendations that should be part of a true children's budget. Three recommendations must take centre stage, recommendations we believe are essential to the 2000 budget.

First of all, we believe it is absolutely imperative that the federal government put an end to the practice of clawing back part of the Canada Child Tax Benefit from families on welfare. The clawbacks clearly discriminate against welfare families and are particularly unfair to the hundreds of thousands of poor single-parent mothers and their children who have to rely on welfare to make ends

meet. We could never understand how the federal government could turn its back on the poorest of the poor in the first place. Ottawa should come to its senses now rather than wait until the clawbacks are struck down by the courts as unconstitutional or give Canada another black eye before the United Nations. Any increase in funding for the Canada Child Tax Benefit in the next budget that did not get rid of the clawbacks would not get the support of the National Council of Welfare.

Secondly, the federal, provincial and territorial governments must get serious about a national child care program for young children. There is overwhelming evidence that high-quality child care benefits preschool children and therefore benefits Canada. There is overwhelming support among parents of young children for a national child care program. With the federal government looking at a surplus of \$5 billion or more in the 1999-2000 fiscal year, it would be unconscionable not to devote a large chunk of that surplus to child care, the one remaining gaping hole in social programs for families.

Finally, Canada desperately needs an integrated approach to family policy that ensures that all the things that governments do on behalf of families with children make sense and do not contradict each other. An integrated family policy would also give Canadians a vision of the direction we hope to take in years to come, rather than a check-list of puny projects designed to hush up special interest groups.

### **General Recommendations**

The federal government must make the elimination of child poverty a priority, as it promised in 1989. Child poverty rates rose and remained at unacceptably high levels following the recession of 1990-1991. In 1997, 19.6 percent of Canadian children under the age of 18 were poor.

Canada must abandon its piecemeal approach to families and create an integrated family policy. Labour market policies, income support programs, child care, education and other family supports must work together rather than at cross-purposes. Under current arrangements, many employers do not provide family-friendly environments for their workers, many parents in low-wage jobs cannot earn enough to support their families, and many parents on welfare cannot find the child care and other supports they need to enter the paid labour force.



All levels of government must protect programs for families with children. Families have suffered greatly during the last decade from cuts to welfare, unemployment insurance, child care and education.

### **Taxes and Tax Benefits**

The federal government must strike a new deal with provincial and territorial governments to end all clawbacks associated with the Canada Child Tax Benefit no later than July 1, 2000. All low-income families, both welfare families and low-wage families, must receive and get to keep the full Canada Child Tax Benefit.

The federal government must set up an appeals mechanism so parents who believe they are not getting the proper Canada Child Tax Benefit payments can have their payments corrected speedily.

The Canada Child Tax Benefit must be fully indexed to increases in the cost of living. Full indexing means that benefits must rise each year in line with increases in the Consumer Price Index. It also means that the family income thresholds for maximum benefits must increase each year.

The federal government's refundable GST credit must also be fully indexed to increases in the cost of living.

The federal government must find a way to eliminate income taxes for people living below the poverty line. One possibility would be to build on the 1998 and 1999 budget announcements that gave lower-income families an additional \$1,000 that is free of income tax. Another possibility is a low-income tax credit for poor people.

The federal government must step up its review of personal and corporate tax expenditures to eliminate wasteful tax breaks, to keep its fiscal house in order year after year, and to pursue its twin goals of cutting taxes and improving social programs.

### **Child Care**

The federal, provincial and territorial governments must create a national system of child care and early childhood education. Until an integrated and comprehensive system is in place, none of the other policies and programs to support families will ever amount to more than patchwork. A reasonable system of child care for preschoolers would cost in the order of \$8 billion a year. The federal government would pay the lion's share of the cost of the program, about \$3.5 billion a year when the new system is fully phased in. Provincial and territorial governments and parents who are not poor would pay a share of the cost as well.

### **Labour Market Policies**

The federal, provincial and territorial governments must give greater priority to creating more and better jobs. Job creation strategies must make particular efforts to improve the job prospects of young people, including young parents. The trend toward part-time, short-term and non-standard jobs must be halted.

Governments must raise their minimum wages to ensure that people who work full time have a reasonable chance to escape from poverty. Minimum wages come nowhere near to helping people to escape poverty. Minimum wages must be indexed so that they rise each year in line with increases in the average industrial wage.

The federal government must reconsider the possibility of a work income supplement for low-wage parents modelled on the Parental Wage Assistance Program in Quebec or the Earned Income Credit in the United States. Our wage system takes no account of the number of dependants a worker has to support. One proven way of tackling this problem is for governments to provide more financial help to low-wage parents.

The federal government must improve the maternity leave and parental leave provisions of the Employment Insurance Act to provide better coverage and support, especially to young parents. The two-week waiting period for maternity and parental leave must be eliminated immediately.



Maternity leave under the Employment Insurance Act must be extended to six months to comply with the best advice of all the child health experts, including the World Health Organization and the federal government's own health department. A further six months of paid parental leave must be available for either the mother or the father.

Both maternity and parental leave must be paid at 70 percent of the worker's wages. Maternity and parental leave must be available for all workers who earned \$2,000 in the previous year, whether they were full-time or part-time workers. Employment Insurance maternity and parental leave must also be made available at the same levels for workers who are self-employed. To ensure there is no discrimination against pregnant women, there must be no minimum period of work for any specific employer.

All maternity and parental leave, paid or unpaid, must include job protection that entitles workers to all salary increases and other rights they would have received had they been on the job.

The federal, provincial and territorial governments must reform their labour codes to provide unpaid leave for at least two years after the birth of a child and at least ten days of unpaid leave each year for family responsibilities relating to children of any age.

Part-time workers must have access to the same fringe benefits as full-time workers on a pro-rata basis, and they must have full protection in labour standards legislation in all jurisdictions.

### **Welfare Reform**

The federal, provincial and territorial governments must negotiate new arrangements for welfare to replace the Canada Health and Social Transfer. The agreement must provide for increased federal financial support for welfare programs. In return, provincial and territorial governments must accept basic national standards including the following:

- Welfare rates must be high enough to cover the cost of the necessities of life as measured by the cost of a "market basket" of goods and services purchased in a person's community. Once set in this manner, rates must not be changed arbitrarily.

- Earnings exemptions must allow welfare recipients to enter the paid labour force without suffering huge financial penalties or welfare “tax-backs.” In some jurisdictions, people lose a dollar of welfare for every dollar they earn beyond a token amount, a loss tantamount to a tax of 100 percent.
- All provinces and territories must provide money to defray the cost of prescription drugs, dental care and eyeglasses for welfare recipients and also for low-wage workers and their families. Too many welfare recipients lose coverage for non-insured health care when they enter the paid labour force.
- “Workfare” must be banned outright. Encouraging welfare recipients to work is reasonable, but assigning them to specific menial or dead-end jobs as a condition to welfare is tantamount to servitude. Forcing parents on welfare into demeaning jobs creates serious stresses that undermine their ability to take care of their children.
- Welfare programs must ensure that recipients with young children have every opportunity to finish their education and training to allow them to get jobs that support them and their children. Education and training programs must guarantee child care to parents who need it.
- As a matter of right, applicants for welfare and welfare recipients must be able to appeal the decisions of welfare and social service officials.

### **Treating People Fairly**

The federal, provincial and territorial governments must take a serious look at creating a system of advance maintenance payments to help single parents support their children. Non-compliance with court-ordered maintenance and support payments is a long-standing problem in Canada, and the only effective solution may be to have governments make the payments directly to custodial parents and recover what they can from non-custodial parents.

All jurisdictions must enact and enforce pay equity laws that cover all employers and all jobs collectively.



All jurisdictions must enact and enforce employment equity and affirmative action programs to ensure that all employers give fair treatment to members of disadvantaged groups when it comes to hiring and promotion.

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## NATIONAL COUNCIL OF WELFARE

The National Council of Welfare was established by the Government Organization Act, 1969, as a citizens' advisory body to the federal government. It advises the Minister of Human Resources Development on matters of concern to low-income Canadians.

The Council consists of members drawn from across Canada and appointed by the Governor-in-Council. All are private citizens and serve in their personal capacities rather than as representatives of organizations or agencies. The membership of the Council has included past and present welfare recipients, public housing tenants and other low-income people, as well as educators, social workers and people involved in voluntary or charitable organizations.

Reports by the National Council of Welfare deal with a wide range of issues on poverty and social policy in Canada, including: income security programs, welfare reform, medicare, poverty lines and poverty statistics, the retirement income system, taxation, labour market issues, social services and legal aid.

On peut se procurer des exemplaires en français de toutes les publications du Conseil national du bien-être social, en s'adressant au Conseil national du bien-être social, 2<sup>e</sup> étage, 1010 rue Somerset ouest, Ottawa K1A 0J9.







